

# Cargo Matters

August 2015

Magazine for Customers & Partners

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## Verticals

### Believing in the diamond dream

Leadstory – Oliver Evans

Fresh fields for the man who made Swiss WorldCargo tick

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## Sustainability

Notes on the Sustainability Conference, transport logistic Munich 2015

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## Contest

Win a CSeries aircraft model

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If you wish to subscribe or unsubscribe to "Cargo Matters", please contact: Maria Campanella, Marketing Communication, maria.campanella@swiss.com; **Production & Advertising** MARESCH GmbH, bernd.maresch@maresch.ch; **Design Concept/Layouting** Peter Hoffmann, MARESCH GmbH, peter.hoffmann@maresch.ch; **Printing** Schätzl Druck & Medien GmbH & Co. KG, info@schaetzl.com; Legal disclaimer: the views expressed in this magazine are not necessarily those of Swiss WorldCargo; Circulation 18,000; Annual subscription: £20.00/\$ 40.00 per issue






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# 13 Years at Swiss WorldCargo

Sharing the rich experience of the last 13 years with our customers, our suppliers, and the great team at Swiss WorldCargo has been a privilege which I will never forget. We were born out of the ashes of the former Swissair in 2002. Deep emotions had been stirred in our home country and right across the world by the events of 9/11 as well as by the demise of this great company. The birth of SWISS was to my knowledge the first time an airline had been set up on such a scale with a global network reaching all continents. We incurred huge losses at the start, and we were well aware of the danger to our very existence. But we had a Turnaround Plan in which we all believed, and to which we all committed ourselves. It included many aspects from a radical simplification and reduction of the fleet, downsizing and rightsizing the network, repeated organizational changes and ongoing dialogue with our unions and all other stakeholders. It involved many painful decisions along the way, affecting the careers of large numbers of colleagues. We handled all of these decisions with urgency, but also with a sense of responsibility. We made steady progress towards our goals, and reached profitability in the last quarter of 2004. We entered the Lufthansa Group in 2005. Our profitability varied according to market circumstances, but we have remained profitable since 2004, and we are indeed today amongst the most profitable airlines anywhere in the world.

Swiss WorldCargo had a sound business from the very beginning. We had inherited a great team of professionals from the former company, and they got cracking right away, with clear processes and the confidence of their heritage. What we lacked was a strategy, and defining one became the first priority of the management team. Recreating what had been Swisscargo was hopeless (and meaningless). Flying freighters in and out of Switzerland made no sense. Freighters require volume, volume comes from consolidations, and pan-European consolidation centres were set up long ago, anywhere but in Switzerland. Add flight night bans, and trucking restrictions: enough said. On the other hand, we recognized the opportunity to become a global leader in care-intensive markets valuing quality above all, and this became our simple strategy, utilizing mainly the bellies of our own aircraft. We communicated it consistently, internally as well as externally. We tuned all our internal processes to this goal. We established an annual customer satisfaction feedback loop to monitor our progress and close gaps, making it the 3rd pillar of our strategy alongside financial results and operational quality. We planned and executed the replacement of our legacy system with a modern operational platform, becoming the launch customer of Mercator's Skychain. We customized it extensively and developed other tools for processes from sales to accounting. We invested in our partnerships with ground handlers, truckers and other suppliers, and made them feel part of one team.

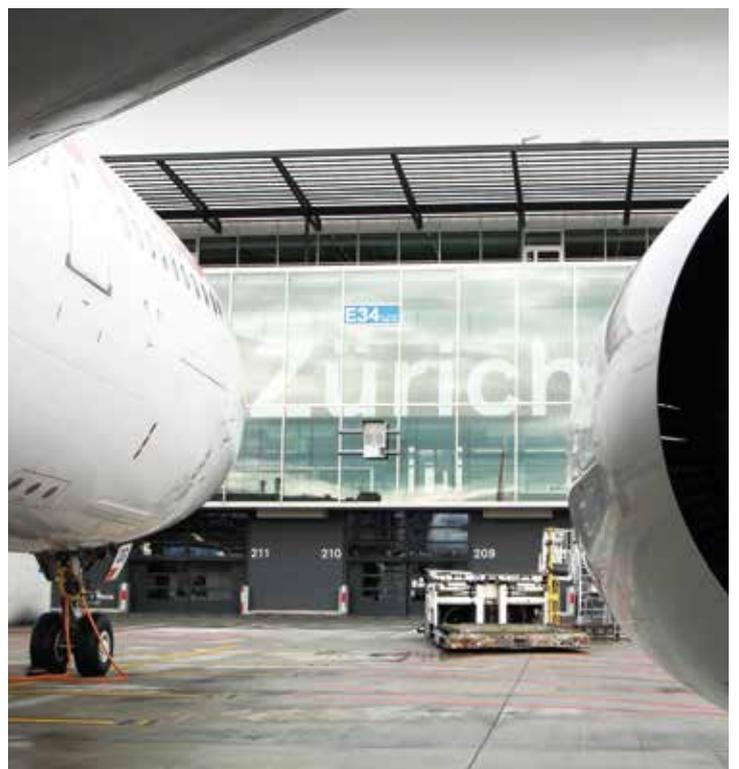
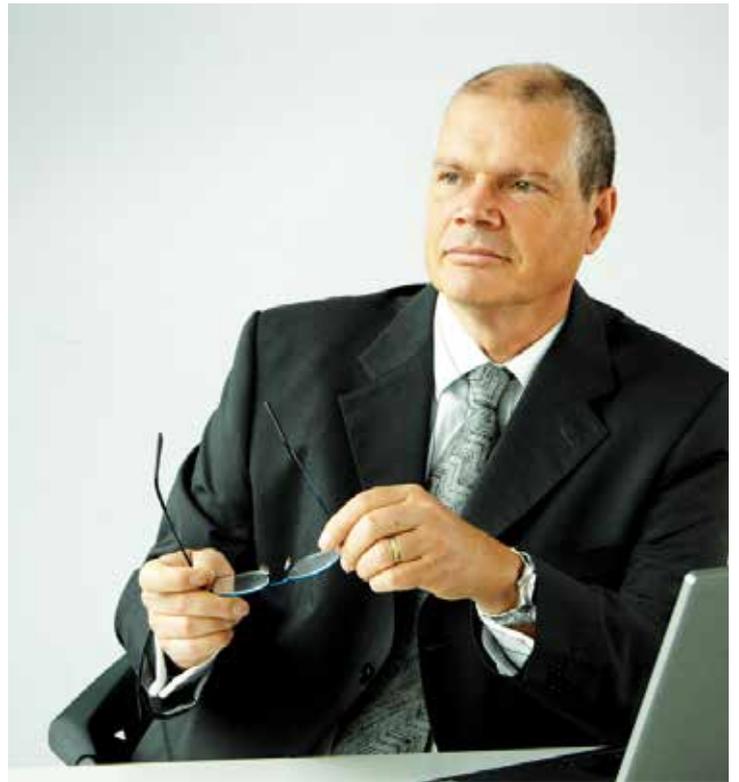
Happily, our constant efforts were rapidly translated into an ever increasing contribution to the profitability of the airline, which did not go unnoticed or unrewarded. Our network expanded, and continues to expand. We joined forces with Lufthansa Cargo, learning much from each other and collaborating extensively, but retaining our autonomy, as this is optimal for the airline, and for the Group.

Today in 2015, we can see how much we have achieved towards our goal in customer satisfaction, quality and financial terms. We know that we can still improve our scores on all these fronts. We know that our customers will demand even more from us in the future. But our strategy has stood the test of time. We are focused on going further, much further along a path we have claimed as our own. We are proud of our story. The news that Ashwin Bhat will be my successor at the helm of Swiss WorldCargo fills me with immense joy and confidence. We all have different personalities, strengths and weaknesses, and it is our duty as leaders to achieve balance and diversity in our teams, each one bringing her or his special talents and experience to enrich the composition of the team, and to enable us to reflect the global market which we serve. I am delighted with the appointment of Ashwin on three counts: firstly because he has proven himself to be a leader of exceptional talent, able to rise to the challenge of each new promotion and to develop himself, and those around him. Secondly because he has contributed so much to our success of the past thirteen years in various capacities, complementing the talents of others in the team. Thirdly, and not least, his appointment underlines once more the commitment being made to continuing the successful story of Swiss WorldCargo, with its own specific organization, culture, strategy and tools.

I wish him, and the entire team, every joy and success in the future. I also wish to thank our customers, partners and friends in the industry for the always excellent collaboration, and I am sure the new team at Swiss WorldCargo will build upon the strong foundation to serve your needs of the future.



Oliver Evans  
Chief Cargo Officer  
Swiss International Air Lines Ltd.



# Fresh fields for the man who made Swiss WorldCargo tick

by Alex Lennane

**Oliver Evans is retiring as head of Swiss WorldCargo, after 13 years at the helm. He tells Alex Lennane how those first years, starting the new airline out of the ashes of Swissair, resulted in today's customer-focused, quality-driven cargo division.**

For a man who cares deeply about the development of people, and the team around him, that first year as head of cargo for SWISS must have been tough for Oliver Evans.

He arrived - attracted by the personal challenge the job would create - as SWISS was rising from the ashes of the former Swissair, the bankrupt national carrier. In a time of national shame, soul-searching and the pain of job losses, he was tasked with rebuilding the cargo division and devising a strategy for the new carrier. He had to cut 180 jobs, while under the scrutiny of a 'hypercritical' national press.

"It was a remarkable time," says Oliver, who'd left BAX Global to take up the position. "The bankruptcy of Swissair was a national trauma. The whole country had an opinion how the airline should be run.

"The Swiss are shy and modest, but also proud and confident of their own values and Swissair was a national symbol. It simply couldn't go bankrupt. The press were punishing themselves for not giving Swissair a harder time when things started going downhill, and as a consequence of that they were vicious and aggressive towards everything SWISS was doing."

Nevertheless, unions and staff were accepting of the situation, and anybody who knows Oliver will believe him when he says that the process, while very painful, was transparent, honest, fair and caring.

While SWISS as a whole had numerous problems - too many staff, an oversized and complex fleet, cash losses of between CHF 1m and 2m every day - the cargo division itself was surprisingly efficient.

"Astonishingly, in the middle of this national trauma, there was a team of people just getting on with it. We had IT infrastructure in place, a well-organised team and people who knew the business. It was a well-functioning unit," he explains.

What was lacking, however, was strategy. Should there be a cargo hub in Basel? Were freighters a good idea? Who was going to provide the volumes for a small airline in a small country?

"We came rather quickly to a conclusion - recreating "Swissair Cargo" (=Swisscargo) didn't make sense. Instead we looked at what Switzerland is strong in - pharmaceuticals, watches, banking. In those fields the country is a leading global player, and so by supporting those industries we too could be a strong player," explains Oliver, who had previously worked at KLM Cargo.

He realised those sectors didn't need much capacity, just reliable and secure services. As for freighters, he says, it didn't make sense, particularly in one of the most expensive hubs in Europe. Nevertheless, the carrier "dabbled" in freighters briefly, he admits. "We cargo professionals can't resist. But it was a half-hearted attempt. We didn't lose money - but we didn't make much either."

Despite the sensible new strategy, air freight customers - especially in the high-value market - needed to be convinced of SWISS's strengths as it resurfaced from bankruptcy.

"It was hard to get customers to put all their eggs in the SWISS basket. Some, though warm and welcoming, wouldn't commit until they had seen what we could do. We had to be patient, and to prove we could do it. The market watched us very carefully - they knew things were shaky. But there has always been an amazing amount of goodwill towards SWISS. Although it had gone bankrupt, the affection for the airline globally stayed. It didn't matter if it was called SWISS or Swissair."

SWISS made its first profit in the fourth quarter of 2004 - a path it has continued on to make it one of the most profitable airlines in the world, in terms of operating margin.

"It was a unique experiment and extremely interesting, creating a global network out of the ashes of another company," explains Oliver.

*He is not a man to back away from a challenge though, and has periodically filled his career with new tests and trials. The next was the acquisition by Lufthansa, after a period in which various larger airlines circled round.*

"As a small company we'd never have the financial muscle to fuel expansion, so we started alliance talks," says Oliver.

While others expressed interest, the terms were not acceptable to SWISS as they didn't appear to value the brand. Lufthansa, however, looked an excellent fit.

"In the agreement, there was just one paragraph on cargo, saying that it would be 'looked at'. While many at Lufthansa assumed that integration made sense, I said I was open to anything, but that everything had to start with a business case.

"When we looked at it, it became clear that if you tried to graft everything into Lufthansa focus would be lost and you would lose the value of everything that we were doing. There was a strong busi-



**Oliver Evans and Ashwin Bhat**

ness case to stay as we were. Since then we have agreed to be open and transparent, and we collaborate wherever it makes sense.”

In particular, he says, the German airline was “astonished” by SWISS’ success in specific markets such as valuables - where it had a bigger global share than Lufthansa, with just one dedicated manager.

Proud with that success, and keen for yet another challenge, Oliver then tried to persuade his shareholders to let SWISS run the cargo business of Austrian, its next acquisition. “That was a bridge too far for Lufthansa,” laughs Oliver. “They decided to integrate Austrian into their own operation, and they did a super job.”

Adding the vice-chair, and then chairmanship of TIACA to his credits became his next opportunity, one that although tougher than he envisaged, was rewarding and had some notable successes, in particular the greater engagement of industry with regulators.

Oliver’s affection for SWISS is tangible, as is the respect he garners from his team. He says the highlight of his 13 years at the airline is helping bring SWISS back to profitability and growing the business to be larger than it was under Swissair. But, in essence, it would appear that the satisfaction actually derives from leading a great team, of encouraging and developing his staff, and forming close relations with customers. A recent Swiss WorldCargo forum, where staff spoke about Oliver as he eyes retirement, was an emo-

tional occasion, where each paid tribute to his human side, not his professional success.

SWISS has shaped Oliver as much as he has shaped it. His refusal to leave the country for a bigger job speaks volumes, as does his admiration for the essence of both the airline and Switzerland itself - its people, its efficiencies, its mark of quality.

“As a leader, you not only decide strategy, but culture too. Over time, culture evolves, but it works best when you capture the qualities of your environment. Those airlines that try to copy someone else are always doomed to failure.”

So, what next for the man who loves a challenge? Come September, he will be working for himself for the first time. Combining his twin passions of leadership coaching and new technologies, he is looking to partner with technology-related companies who want to work in - and, he hopes, disrupt - the logistics industry.

“Most of us spend too much time involved in our own little world. We should be out there, going to Silicon Valley or Bangalore and finding out what’s possible,” he says.

And as for SWISS? “It’s been an amazing journey, and I feel privileged to have been part of it. In the air cargo industry there is always something new - it puts you in touch with everything - the whole world, and almost all its industries. I’d be lying if I said I won’t enjoy more free time. But I have loved every minute of it.”

## Meet Ashwin Bhat, nominated new Head of Cargo at Swiss International Air Lines

Ashwin Bhat understands better than most the essence of Swiss WorldCargo. A chemist graduate from Mumbai, he joined Swissair in 1992, when the airline became one of the first companies to outsource accounting to India. Apart from a very brief interlude in the passenger side of the business, when he was swiftly lured back to cargo by Oliver Evans, he has performed roles in almost every sphere of Swiss WorldCargo. In 1999, after 18 months in Switzerland and back in Mumbai, he wanted to leave India and received job offers from two airlines.

"One was from the giant Swissair, and one was from a small start-up airline in the Middle East," he laughs. "I thought I'd go with the big airline. Within two years, it had collapsed." In each of the three or four major restructurings of Swiss WorldCargo that Oliver has undertaken, in order to ensure the company remained dynamic and evolving, Ashwin took on a bigger role, most recently as Head of Global Area Management.

"In fluid environments you see who adapts and responds," says Oliver. "And Ashwin did every time." In return, Ashwin says: "Oliver lets you have the width and room to play your game. He handles the political part very well - I hope I will, too."

### So what does he think will change at Swiss WorldCargo?

"The core must and should not be changed - who and what we are should stay the same. That makes us unique, and there should be consistency of quality and operational excellence so customers should not feel any change.

"But at same time I am different to Oliver, and the business is changing - you can't lie still in today's world. So there will be change - new services, new processes, a strategy to handle turbulence in the market."

He notes in particular opportunities such as e-commerce - as well as the significant capacity increases SWISS is bringing into the market. Six 777s start delivering in February, giving the airline an additional 15 to 20% capacity, and a further three will come in 2017.

"Even if we didn't want to change, I have to. Otherwise our strategy will be outdated," he says. His first focus will be on the customers. "But in time, I will reach out to the wider industry and try to continue what Oliver has started."



## The author: Alex Lennane

Editor, The Loadstar and Airline Cargo Management

### What they say:

#### Peter Gerber, CEO, Lufthansa Cargo

"Oliver Evans has not only shaped Swiss WorldCargo, but has left his mark on the entire air cargo industry. I am proud to have worked so closely with him in recent years - he is truly a legendary figure for air cargo and the Lufthansa Group is certain to frequently call upon his expertise in the future. Under his leadership, Swiss WorldCargo developed into one of the most successful players in our industry. On behalf of all my colleagues here at Lufthansa Cargo, I wish him all the very best for the future!"

#### Nigel Paxman, CEO, Malca-Amit

"I only hope for the sake of Malca-Amit Global companies that the next leader of Swiss WorldCargo is as customer service-focused as Oliver has been. Whilst price is an important factor in choosing a cargo carrier, service is more important. Under Oliver's leadership Swiss WorldCargo has moved from 4th largest carrier for the Malca-Amit companies to the largest carrier by a considerable margin. This has been due to the excellent service and special attention to Malca-Amit needs. Long may it continue after Oliver's retirement."

# Believing in the diamond dream



By Milo Gerisch – Vertical Industry Manager Precious

In my role as Vertical Industry Manager Precious Commodities, Banking and Luxury Goods, I attended the latest JCK show, the jewellery industry's premiere trade show held in Las Vegas, last May. It was a great opportunity to learn more about the specific challenges, opportunities and needs of the diamond industry.

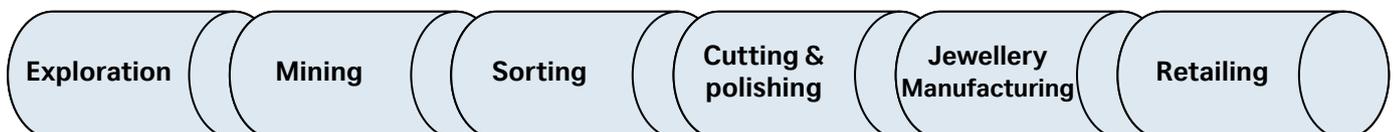
Air transportation is key when it comes to the diamond supply chain. The so-called "diamond pipeline" refers to the global multi-stage process that brings diamonds from the earth to the end consumer.

No compromise on security, professionalism and speed can be made at any stage of the supply chain when it comes to finding suitable logistics and air transportation partners for the transportation of diamonds. These are precisely the traits that have made Swiss WorldCargo the title of preferred carrier when it comes to the transportation of these precious gems and valuables in general – all of which are transported with Swiss WorldCargo's special product SWISS Valuables.

## Diamonds top Country pairs for airfreight in Value

Air value (thousand US\$)		2014
Belgium + Luxembourg	India	9.377.870
Israel	USA	9.020.116
India	Hong Kong	8.551.544
India	USA	7.580.773
USA	Israel	6.594.417
United Arab Emirates	India	4.158.400
Belgium + Luxembourg	USA	3.833.381
USA	India	3.749.605
USA	Belgium + Luxembourg	3.684.261
Russia	Belgium + Luxembourg	3.598.465
USA	Hong Kong	3.436.514

## What is the process that brings diamonds to consumers?



In order to further develop our product and our logistics solutions for the industry, crucial that we gain a better understanding of the industry's specific needs. The diamond industry is constantly seeking to expand into new markets and to broaden its ties with rough diamond suppliers and consequently looking for creative solutions provided by selected suppliers and partners in the field of valuable consignment transportation.

However, the vertical approach means looking beyond the industry, to the consumer: "The diamond business is driven solely by the consumer's desire for the product. Without it, there would be no investment in exploration or in new mines. No new stores would be opened and we would all be unemployed as nobody would be prepared to spend money on the product," said Stephen Lussier, CEO of De Beers Forevermark. Without that consumer desire, there would be no need for transportation either.

Consumer desire is the motor of every business. If it changes, we have to rethink the way we do business. Currently, the biggest challenge we are facing is how to sell the "diamond dream" to Millennials. The industry seems to have recognized that it can no longer take its position for granted and is slowly becoming more proactive in terms of consumer interest. Millennials in particular have definitely not grown up with the generic diamond marketing campaigns that created the dream in the first place.

The industry needs to defend the core symbolism of diamonds, engage in the debate between timeless and disposable fashion and become more present in the digital world in order to instill that dream in the minds of Millennials in the way it has done with previous generations. While De Beers is confident that Millennials are moved by the same emotions and desire for love and commitment that the 'A Diamond is Forever' slogan stirred in previous generations, it recognizes that how a brand engages with consumers is radically different today.

The current generation of consumers has a different way of buying, communicating and engaging with each other, with brands, products and companies. Therefore, we too will need to be prepared to transport in a different way. The diamond industry is ready to take on the challenge and so are we.

## Top industry events

<b>Venice</b>	VicenzaOro
<b>Hong Kong</b>	Jewellery & Gem Fair
<b>Basel</b>	Basel World / The BSL diamond show
<b>Dubai</b>	VicenzaOro
<b>Las Vegas</b>	JCK Show



## The author: Milo Gerisch

Milo started his career in the air cargo industry when he began working for a freight forwarder right after he graduated from secondary school. Later, he joined the airline side of the industry and seized the opportunity to hold different positions at Singapore Airlines and British Airways. In 2002, he joined KLM where he held various sales positions before joining Swiss WorldCargo in 2014.

Born and raised in the Swiss Alps, Milo spent most of his childhood on the winter slopes and is a very passionate snowboarder and skier to this day.

## Who are the "millennials"

Millennials (also known as the Millennial Generation) are often associated to Generation Y. Actually, Millennials define the demographic cohort of teenagers during the Millennium Turn, therefore they are a "sub-generation" of Generation Y.

### 20th and 21st century generations

The matures: mid30s-mid 40s  
 Baby boomers: mid 40s-mid60s  
 Generation X: mid 60s- end 70s  
 Generation Y: end 70s- end 90's  
 Generation Z: 2000 up to now



# What Price Ignorance?

Notes on the Sustainability Conference, transport logistic Munich 2015

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Text by Joachim Ehrental

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I am genuinely looking forward to this, I am thinking as I make my way past giant JCB excavators towards a black stage with a palm-framed seating area in a grand, white steel-framed industrial building with polished concrete flooring.

I am crossing Hall A4 of transport logistic 2015 in Munich, the world's leading logistics exhibition. This year, it is playing host to Swiss WorldCargo's Sustainability Conference entitled "What price ignorance? Logistics is the key to a sustainable global economy". Which is exactly where I am headed.

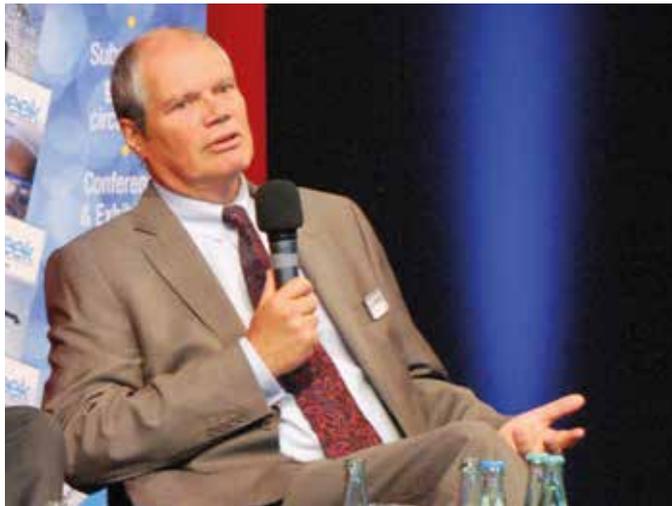
The organizers had me hooked when I knew who was coming to share their views and ideas on sustainability:

- **Shankar Venkateswaran**  
Head of the Tata Sustainability Group (TATA Group)
- **Martin Willhaus**  
President of the Kühne Foundation,  
Kühne Logistic University
- **Mike Wilson**  
Global Head of Logistics at Panalpina
- **Mads Stensen**  
Global Advisor on Sustainability at MAERSK line
- **Oliver Evans**  
Chief Cargo Officer, Swiss International Air Lines Ltd.

Clearly, I am not the only one interested. A good 120 people have descended with me on this quiet corner of the Munich fairgrounds. Many new faces, a young crowd. Not the tense sales representative type that is dominating the pathways and booths of transport logistic. I see senior logistics executives, media representatives, and what must be university students, clutching writing pads, ready to take notes.

Simon Keeble of FreightWeek kicks off the conference with a critical stance on why sustainability matters to the logistics industry. Then, the presentations begin.

Sustainability as a means to survive and thrive - Shankar Venkateswaran shares two main stories. The first is about how TATA developed a strong belief of leading and acting from the bottom from a series of events deeply rooted in the group's collective memory. Today, volunteer programs encourage employees to engage in sustainability-related projects. The second is about finding the courage to stick with sustainable business principles despite business setbacks, as shown by a large-scale development project TATA turned down because of environmental concerns. Venkateswaran's



Oliver Evans during the sustainability conference

main messages are to provide meaning to sustainability, and to encourage employees to act sustainably.

Sustainability as everybody's responsibility - As soon as Martin Willhaus enters the stage, he holds the mirror up to the audience as drivers of logistics and emissions. He argues from the perspective of a father, seeing his children's shopping behavior, and from the forwarders' perspective of having to meet customer needs without being in a favorable spot to change them. If everyone orders everything from everywhere at ridiculously low cost, the negative effects of transportation will worsen, irrespective of the logistics industry's sustainability efforts. His bottom line is: consumption behavior is front and central to global sustainability.

Sustainability as business opportunity - Mike Wilson of Panalpina brings circular supply chains into the discussion. He argues that as the era of offshoring ends, the classical forwarder business model of moving and storing goods becomes unprofitable. Shortening product life cycles, ultra-fast e-commerce, mass customization, additive manufacturing, and resource scarcity requires forwarders to reconsider how to contribute to customer value creation. Moving beyond transportation to running entire supply chains of assembly, repair, remodeling, refurbishing and recycling, Wilson argues, provides forwarders with new opportunities and capabilities to prosper and grow.



From left: Shankar Venkateswaran, Mads Stensen, Mike Wilson, Martin Willhaus, Oliver Evans.

Integrating sustainability in business decisions - Mads Stensen introduces sustainability at MAERSK line. At the heart of his concern is the carriers' ability to connect buyers and sellers, enabling prosperity through trade, while decoupling trade growth from transportation resource consumption through efficiency gains from technology improvements and economies of scale. Mads Stensen argues for incorporating sustainability into business relationships. For MAERSK line, this means contractually defining per unit emissions goals with customers and providing proof that these goals are met.

Sustainability and the war over talent - Swiss WorldCargo's Oliver Evans connects the dots of digitalization, sustainability, responsibility and the need to attract new talent to propel logistics companies and their industry forward. He shows how the industry

is in constant threat of disruption, because it is bound in its own, complicated ways. Evans argues the industry must embrace a new mind-set to attract and foster the spirit of inventiveness needed to tackle future challenges. He calls on the leaders of the industry to give young talent the freedom to unfold, drawing on the IT industry as a role model for enabling people to be a constant source of innovation.

The presentations are over. Suddenly, I realize I am jotting down notes. My head is racing with ideas on new ways of teaching my students the mindset and tools necessary to transform supply chains, to overcome the sustainability issues raised by the speakers.

Simon Keeble opens the panel of speakers to debate, and invites the audience to join. Quickly, a lively discussion is in swing on the

talent needed to transform logistics, about customer behavior. The audience kicks in, raising the question whether we need simple to understand traffic light logic to indicate the sustainability impact of online purchases and transport orders.

The discussion takes several turns towards the bigger picture of weighing the positive and negative effects of logistics on people, planet and profits. Just as Shankar Venkateswaran raises his voice to conclude why TATA thinks sustainability is synonymous with corporate survival – BOING – the transport logistic chime sets in, ending a lively discussion and conference.

Thank you to the speakers for sharing their insights on sustainability. Congratulations to the team at Swiss WorldCargo for putting together this timely and inspiring conference.

## My top three conference takeaways

### Macro-level takeaway

**Insight:** Our ecosystem of people, planet and profits would not be sustainable without logistics. At the same time, the logistics industry has a collective responsibility to improve sustainability and the unique positioning to lead change.

**Consequence:** Integrate sustainability metrics into product development, supply chain planning, contracting, and logistics execution.

### Meso-level takeaway

**Insight:** Sustainability is determined by those that shape organizations, it is rooted in common institutional beliefs, collective experiences, and visible in actions.

**Consequence:** Enable the exchange of sustainability experiences inside your company and across its borders and turn those experiences into meaningful stories for others to aspire to and act on.

### Micro-level takeaway

**Insight:** With their network-like characteristics, logistics companies are in pole position to introduce and foster from sustainability-driven business models, and at decreasing negative externalities in our business ecosystem that only agile networked companies can.

**Consequence:** What are you waiting for?



## The author: Joachim Ehrental

He puts his heart and soul into transforming supply chains by applying new approaches, methods, and tools for co-creating value. Joachim is the owner of Agent ERP, a specialized advisory and IT firm for logistics and supply chain. He holds a PhD from the University of St.Gallen and lectures operations at the Zurich University of Applied Sciences.

# Truck Contribution Optimization: Our Most Supportive Team 2014



From left: Yves Holenstein, Gianmarco Comazzi and Varghese Ponnankunnel

Interview by Simon Kumin

**Our Truck Contribution Optimization Team was awarded the title “Most Supportive Team 2014”. We have asked Gianmarco Comazzi, Varghese Ponnankunnel and Yves Holenstein to explain why trucks are important at Swiss WorldCargo.**

**What is Contribution Optimization in a nutshell?**

We basically make sure that, after commercial evaluation, the right cargo gets on the right plane. Each consignment is different in terms of volume and weight, so good planning is required in order to ship all our goods as per the agreed transportation plan.

**What role do trucks play?**

Most of the cargo originating from Europe and booked on our intercontinental flights is trucked to ZRH and GVA. This also applies to the import side. The aircraft operating within Europe are much smaller than the ones flying intercontinental and it’s not always possible to load the shipments due to various factors (dimension, weight).

**You were awarded the title “Most Supportive Team 2014” at Central Services Cargo. What earned you this award?**

As Swiss WorldCargo does not have its own trucking fleet, it relies on trucking partners for the Road Feeder Service. Interfacing with these partners can be complex: we received the award because we have been providing solutions for more efficient interfacing. To start with, we used to book truck rides with existing partner companies.

In 2012, we started to challenge our processes more in detail and implemented a new concept. So we set up a database containing information about our partner companies, their services and prices. This allowed us to compare and become more efficient. Furthermore, we have made our services more customer-friendly by integrating new solutions, focusing on added values.

This new concept has helped us establish great new partnerships with our trucking partners. Especially when it comes to very sensitive freight, we can now be sure that they are very familiar with all our standards.

*“Our trucking department is crucial to the success of our short term strategy. Every day new challenges, whether it be to arrange for a truck to new and remote destinations or to optimizing the capacity available for the scheduled routes. Flexibility and proactive support to the markets are the watchwords to meet the needs of our customers.”*

*Massimiliano Ferro, Senior Manager, Contribution Optimisation*

### **Who is on your team?**

Our core team consists of the three of us: Gianmarco, Varghese and Yves. Ismael, Hanspeter and Manol from the Flight Optimization team also have trucking knowledge but mostly work on the optimization of intercontinental flights. If, for example, a truck arrives much too late in ZRH and the booked cargo misses the flight it was booked on, we inform the staff members taking care of the intercontinental flights so they can rebook the shipments. It occasionally occurs that due to unplanned capacity constraints, short term optimisation is needed to balance scheduled and ad-hoc trucks.

### **What is your typical work day like?**

We work in two shifts; from 6 AM to 3 PM and from 1 PM to 10.30 PM. First of all, we supervise all scheduled trucks and check the booking lists. We prepare the disposition before sending it to our Handling Agent at hub, Cargologic. We then have to book or cancel the trucks. At this stage it's very important to focus on efficiency. There is the possibility of combining several destinations on one physical truck. FRA, CGN and DUS, for example. If a booked shipment is cancelled at short notice, we rearrange the planning.

Furthermore, it's important that we keep an eye on cost control. We regularly check to see if our transit routes are still profitable or if we need to make adjustments.

### **What are the biggest challenges you are facing in your function?**

First and foremost, speed. The more flexible trading and the world economy becomes, the faster we have to ship freight. Therefore, we have to be able to handle last minute requests. As we choose our partners carefully and cooperate closely with them, we can already guarantee constant GPS tracking for some of our deliveries.

Furthermore, the upcoming introduction of the B777 to the SWISS fleet in 2016 will be a challenge for us. Its cargo payload is approximately 30% higher than that of the Airbus 340. We expect larger volumes than the ones we currently handle from intercontinental flights which are mainly trucked to European destinations. Another challenge is the newly refurbished Airbus fleet. Selected aircraft have been redesigned to accommodate more seating. This means that the Cargo Payload is reduced and, as a consequence, more shipments by truck are requested.

### **What do you do to tackle these challenges?**

It's very important that we maintain good contacts with our partners. This allows us to deliver the high-quality services our customers expect and to become faster at the same time. We believe with the current set-up has us very well prepared for the future!

*“For specific markets with high production share to Europe, the trucking service is essential for the intercontinental network. Therefore to carefully listen to the needs and requirements of our sales colleagues is crucial in order to provide service excellence and react quickly and flexibly at any given situation.”*

*Omar Bragatto, Director, Head of Contribution Management*

### **Gianmarco Comazzi**

Supervisor Contribution Optimization RFS

Born and raised in Ticino, he attended Swissair School Lugano in the mid 1980s. In 1986, he joined Swissair's cargo division. Apart from a very brief interruption, he has been with Swiss WorldCargo ever since. Gianmarco is the head of the team. What he likes best about his job is that it's full of surprises and requires flexibility and spontaneity. In his spare time, he enjoys spending time with his family and is passionate about cooking, especially when he's preparing a meal for his son.

### **Varghese Ponnankunnel**

Contribution Optimization RFS

Varghese Ponnankunnel is an Indian-born MBA graduate, who earned 6 years experience in logistics and supply chain in India and abroad. Later on he was relocated to Switzerland in 2007 and joined Swiss World cargo in 2010 with responsibilities for disposition, and handling new enquiries from different markets. In person, he is a man of perseverance, persistence and perfection. On holidays he spends time doing gardening, biking and playing badminton. He is blessed with 2 kids, both are celebrating the passion for flying with Swiss.

### **Yves Holenstein**

Contribution Optimization RFS

Yves graduated as a Hotel Manager before taking responsibility for a troop of 260 men in the Swiss Army. He joined Swiss WorldCargo in 2015. Yves' everyday work consists of trucking order management and disposition as well optimization. After being on the team for seven months, he can safely say that he very much likes his job with all its challenges and what it teaches him.

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## Cold storage facilities expanded at Zurich Airport

Swiss WorldCargo's ground handling partner Cargologic has expanded its cold storage facilities at Zurich Airport to provide more capacity for the storage of temperature-sensitive shipments.

Temperature-sensitive shipments can now be assured of accelerated handling, greater capacity and enhanced service quality at Zurich Airport. After receiving its Good Distribution Practice (GDP) certification from Swissmedic last year, Swiss WorldCargo's ground handling partner Cargologic opened an expanded temperature-controlled storage facility at the airport earlier this month.

The new facility will cater for the increasing volumes of pharmaceutical and biotech shipments via Zurich Airport – and transfer shipments in particular – by offering 120 additional euro pallet spaces for cargo that needs to be stored at between +2°C and +8°C.

“Our new cold storage area meets the demand for space and guaranteed temperature control – an important priority among our customers,” explains Cargologic’s Managing Director Marco Gredig. “So we’re very pleased to be able to make this storage area available to our customers with immediate effect.”



“Swiss WorldCargo’s highly-reputed air logistics solutions for the pharmaceutical and biotech industries are also the result of a close collaboration with reliable partners, particularly our long-standing hub operator Cargologic in Zurich,” adds Susanne Wellauer, Vertical Industry Manager at Swiss WorldCargo. “And the expansion of these cold storage facilities further confirms our joint commitment to making Zurich Airport a first-class hub for handling pharmaceutical shipments.”

## The most skilled aviator ever on board

It sounds absurd that an animal that can fly on its own has to be transported by air, but for Sempach II, a bearded vulture from Spain, there was no other choice to reach Switzerland on time for a special mission indeed.

Bearded vultures lived in the Alps for a very long time – until they got extinct in the late 19th century as farmers and hunters (falsely) accused this unique bird to attack living sheep. Fortunately, Switzerland has made a great effort to reintroduce the bearded vulture in its alpine regions. The latest success of this long-term project is the release of three birds in May 2015.

As there are still not many bearded vultures living in the Alps, it is important to make sure the new birds are genetically different from the other ones living «nearby» (their territory can be as big as 400 sq km).

A young Spanish vulture from Vallcallent, Catalonia with Greek roots proved ideal to be settled out in the Alps. Swiss WorldCargo is proud to have helped bringing Sempach II (named after Switzerland’s famous Ornithological Institute in Sempach) from Barcelona to Zurich airport. Sempach II could be checked by a veterinarian at Zurich airport and then instantly be brought to the Alps. We wish him many nice flights and good luck at finding bones!



Find out more about the reintroduction of the bearded vulture in the Swiss Alps and about Sempach II at [www.wild.uzh.ch](http://www.wild.uzh.ch)



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### Advertising & Marketing Enquiries

**Paoula Popova**

Mob: +971 55 561 6973

+971 50 734 4508

E-mail: [paoula@arabianreach.com](mailto:paoula@arabianreach.com)

### Arabian Reach Publishing FZ LLC

P.O. Box: 125186, Dubai, UAE

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First-ever visit of new twinjet for Europe

# SWISS welcomes Bombardier CSeries aircraft to Zurich



SWISS has unveiled further details of its new Bombardier CSeries aircraft fleet, which it is acquiring for its European short- and medium-haul network. The attractive cabin interior and innovative new passenger seat were presented during the first visit to Zurich of the state-of-the-art new twinjet, of which SWISS is launching customer. SWISS expects to take delivery of the first of its new CSeries aircraft – in the CS100 version – in mid-2016.

The first Bombardier CSeries aircraft to visit Zurich Airport – a CS100 – landed in Kloten last month. The totally-new twinjet, which SWISS is acquiring for its European short- and medium-haul network, arrived on schedule at 19:16. To the delight of the many aviation fans who had turned up for the event, the landing was preceded by a low pass along the airport’s Runway 16, and was followed by a traditional “water salute” from the airport fire service and a special welcoming ceremony by a SWISS delegation.

## Get on [swissworldcargo.com](http://swissworldcargo.com) and win a CSeries aircraft model

Terms and conditions: All participants must fully state their first name, last name, company, function, mailing address and the e-mail address to take part. The winner will be informed directly and their name will be published in the next issue of Cargo Matters. Employees of Swiss International Air Lines Ltd. (including Swiss WorldCargo’s GSA) and their relatives may not participate. All rights are reserved, and there shall be no recourse to any legal action.

And the winner is...

The Nike+ FuelBand offered in our last issue’s contest was won by **Marc Poitras**, DHL (Canada)



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# Swiss WorldCargo has teamed up with Californian drone manufacturer Matternet and Swiss Post for a trial delivery-by-drone service



**Oliver Evans of Swiss WorldCargo, Andreas Raptopoulos co-founder of Matternet and Dieter Bambauer, Head of PostLogistic in Bellechasse**

**On 7th July, Swiss WorldCargo, Swisspost and Matternet (a logistics drone manufacturer based in California) carried out drone tests in Bellechasse, in the canton of Freiburg (Switzerland).**

The Matternet ONE drone has an extremely light construction and is capable of transporting loads of up to 1 kilogram over more than 10 kilometres with a single battery charge. As explained by Andreas Raptopoulos, co-founder of Matternet, the drone flies autonomously, following clearly defined, secure flight paths, which are drawn up by cloud software developed by Matternet, and is activated by a smart-phone app.

Before the testing, Raptopoulos, Dieter Bambauer, Head of Post-Logistics, and Oliver Evans explained why the three companies are jointly testing the commercial use of drone technology: “Swiss WorldCargo focuses on supporting those industries in which Switzerland has global champions, like the pharma industry, banking, precious metals trading, watch industry,” Oliver Evans said.

“These industries typically have the most care-intensive, urgent and delicate shipments which require sophisticated supply chains and utmost reliability,” Oliver continues. “The constantly evolving needs and challenges of those industries drive us to innovate and to be at the leading edge of our own industry, trying out new technologies and adapting our processes, to provide end-to-end supply chain solutions e.g. local pick-up and/or delivery of small, urgent packages by UAV combined with intercontinental transportation aboard our aircraft.

“The air supply chain is a highly collaborative environment in which various players with different core competences work together to create such reliable solutions. This led us to seek collaboration with a leading edge technology company (Matternet), a diversified postal organization with proven last mile expertise and renowned for innovation (Swiss Post), bringing in our own global reach and close involvement with clients in industries like healthcare,” Oliver concludes.

The possible areas of application offered by drone technology are very diverse, ranging from delivery to peripheral areas to the express delivery of goods. From today’s point of view, the use of drones in emergency situations is conceivable. This could, for example, involve bringing supplies to an area that has been cut off from the outside world following a storm.

Another realistic possibility is the urgent transport of consignments with the highest priority, such as laboratory tests. Until the time of their realistic commercial use in around five years, there are various requirements which need to be clarified. This includes the regulatory framework. In addition, there are technical restrictions with the drones of today, such as limited battery life.

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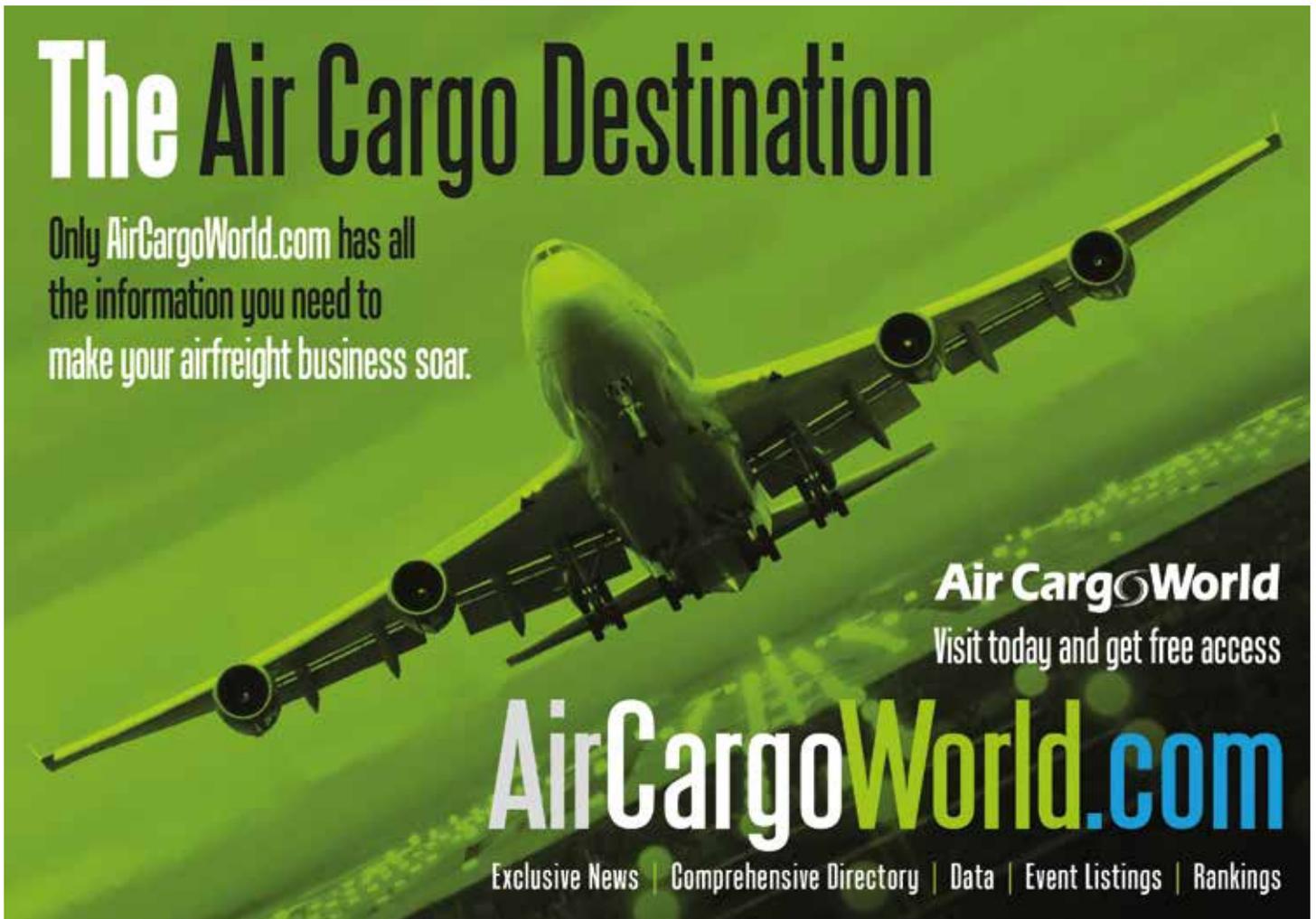
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